

## A Reaction to “Labor, Liberalism, and the Democratic Party”

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*(This essay is a response to Nelson Lichtenstein, “Labor, Liberalism, and the Democratic Party: A Fruitful but Vexed Alliance.” Paper available from the author.)*

Because of the votes it can mobilize, because of its electoral money pots, and because of its lobbying networks, organized labor has been a kingmaker in the Democratic Party for decades. As David Greenstone wrote some 40 years ago, “The emergence of organized labor as a major, nationwide electoral organization of the national Democratic party represents the most important change in the structure of the American party system during the last quarter-century,” that is, since 1945.

Nelson takes Greenstone one step further to ask, why, despite its political influence, was labor impotent in the one area that mattered more to it than to any other constituency, namely labor law reform? As we know, American labor has been far more successful in securing broad social and economic legislation than in obtaining legal reforms to boost its own bargaining and organizing power. That said, American unions failed to secure the egalitarian welfare states found in northern Europe, which Nelson attributes, in part, to labor’s absorption with its own private welfare system of fringe benefits, COLAs, and the like.

But let’s be careful here, both with dependent and explanatory variables. The dependent variable is social welfare spending. Yes, the American labor movement failed when compared to Sweden or the Netherlands or Germany. But it looks less deficient when compared to Anglo-Saxon social democracies. In the United States, social welfare expenditures as a percentage of GDP stand at the same level as Canada’s and just a tad below Australia’s.

Furthermore, assessing labor’s political engagement requires that we examine not only its legislative efforts but also its judicial activism and regulatory lobbying, whether with the Supreme Court, the Labor Department, or the Council of Economic Advisers. Pushing for full-employment policies was always a priority for labor. While social insurance was one prong of social democracy, full employment was the other. Relatedly, American labor put a high priority on securing incomes policies that would protect wages and employment stability across the entire labor market. Overseas social democratic labor movements acted no differently.

As for independent variables, Nelson repeatedly says that labor’s absorption with the minutiae of collective bargaining caused it to become depoliticized during the golden years of industrial relations. Yet depoliticization well characterized the old AFL craft unions, in construction and transportation, well before the golden age. As someone once told me, there are two kinds of politics: politics and building-trades politics. But the AFL unions had been relatively depoliticized from their very inception, long before the golden era.

Most of the industrial unions, however, including hybrids like the Machinists, were far from depoliticized when it came to broad, redistributive social legislation such as Social Security, unemployment insurance, and minimum wages. During the early 1960s, unions such as the UAW and the Steelworkers created senior citizen organizations that lobbied for what was to become Medicare, the nation’s first national health insurance plan. Could labor have done more? Yes. Was it distracted by collective bargaining and by its own private system of social welfare? Yes (and it’s something about which I’ve written). But was labor disengaged when it came to social insurance improvements? Not nearly to the extent that Nelson says.

So, what other explanatory factors are there? First, there is the matter of organized employer resistance. It didn’t start with the revival of the Right to Work Committee in the 1970s. It began, at least on a

large scale, during the first years of the New Deal, as business responded to its poor public image and to the surge in labor's power, though of course we can trace it all the way back to the late 19th century. The modern story has been oft told, most recently by Kim Phillips Fine. Thirty years ago, Howell Harris showed that it was northern employer groups—the National Association of Manufacturers, the Conference Board, the American Management Association—that in the 1940s beefed up their political activities and their battle for that nebulous thing called public opinion. They were key players in the design and passage of Taft-Hartley. Taft-Hartley not only closed the door on labor in the South, it opened the door for northern manufacturers. With that came redistribution of economic activity and of voters—from the North to the Sunbelt.

By the late 1950s, business had restored its reputation. As General Bullmoose would have said were he an academic, prosperity aligned business and public opinion. The anti-union efforts of employers—both sticks and carrots—began to take hold and to push labor's reputation in a negative direction. Seventy-five percent of Americans approved of unions in 1957, which was an all-time high. After that, public support declined steadily, reaching a low of 55% in 1981 (and now it's down to 47%). Of course, business's resurgence was not the only reason for labor's image problems, but it mattered.

Labor also had itself to blame. It failed to engage with the new social movements of the 1960s or even put itself in opposition to them. Think of movies like *Joe*, which came out in 1970, or *Blue Collar*, from 1978. Their anti-union plotlines resonated with the public and formed the backdrop against which labor law reform died under Carter. Given this long history, we have to ask, as John Logan has done in his writings: How has the business community managed over decades to paint the labor movement as a narrow special interest group? Why has labor been unable to make clear the fact that it repeatedly puts the public interest ahead of its own? This remains its great failing up to the present day.

Second, I would place greater emphasis on institutional features of the American political economy. Start with industrial relations. Under a decentralized bargaining system, labor could not secure the kind of wage restraint that its western European counterparts could offer to employers and the state. Neither could American unions deliver system-wide strike restraints. In the postwar years, German and Dutch strike rates were less than a third of ours. The quid pro quo for European labor was full employment and social welfare spending, and employer acquiescence to unions.

Another institutional constraint was America's majority voting system, which tends, on average, to produce less redistributive outcomes than proportional voting does. Nelson gets close to this in his discussion of southern Democrats. They are a feature of majoritarian systems that tend to lean center-right. To paraphrase someone, we could say that labor movements make history but not do so under circumstances of their own choosing. In fact, American labor didn't do especially badly with respect to social outcomes in light of the institutional constraints that it faced.

Still, the conundrum remains: labor has been spectacularly unsuccessful in preserving or expanding the rights conferred by the Wagner Act, chiefly to do with organizing and bargaining. It couldn't stop Taft-Hartley nor could it repeal it, as it tried in the early 1950s. Neither could it defeat Landrum-Griffin. It tried but failed in 1965 to repeal section 14(b) of Taft-Hartley, the provision that permits states to pass right-to-work laws, a failure that haunts us today. And it failed yet again in the 1970s and again in the 1990s on labor law reform, and yet again under Obama.

To account for labor's failures in labor law reform, Nelson mentions the southern Democrats and also cites a lack of enthusiasm within the labor movement itself. From the 1940s through the 1970s, labor's bargaining power brought substantial economic gains. Why worry about legal reforms to bolster your bargaining power—such as preserving hot cargo clauses—if you still could negotiate good contracts?

Now some of these sought-after reforms concerned organizing, not bargaining. Here I have a hard time buying the argument that labor took its eye off the organizing prize because of its engagement with the New Deal bargaining system. Yes, it's true that organizing could have been a higher priority after the mid-1950s, which is when union density began to slide. But what really mattered to unions, I think, was not union density but total membership. During the 25 years from 1955 to 1980, labor added 3 million members. Only after 1980 did absolute numbers decline, precipitously, which also happens also to be the period when labor began to take organizing much more seriously.

Today it seems that the institutions that helped European labor during its own golden era are losing their effectiveness. True, western European labor movements remain in better shape than ours. But union

density is falling, even in Germany and Sweden, despite their social democratic traditions. Increasingly, labor movements stronger than ours have been unable to staunch their shrinking membership and to stave off political attacks from the right, whether from Thatcher in the UK or from John Howard in Australia.

And it's not only neoliberals such as Thatcher that other labor movements have had to contend with. There's also the Third Way crowd. Think Tony Blair. Or Gerhard Schroeder. Or David Lange in New Zealand. They come from explicitly social democratic parties that historically have depended on votes and money from their labor movements. Yet today, those social democratic parties are distancing themselves from their union constituencies. Why are there these global trends? Nelson's narrative can't tell us because it's an ideographic account.

So what about Obama? Yes, he is from Chicago. But he's also from the University of Chicago. There were signs early on—even Trumka saw them—that Obama wasn't someone labor could rely on. More than a few unions endorsed Hilary Clinton, such as the Machinists and the Sheet Metal Workers, and, from the service sector, the Letter Carriers, Transit Workers, and AFSCME. It's interesting to recall that 30 years ago it again was AFSCME and the Machinists who broke away from George Meany to form their own political coalition. Among Obama's advisors are Third Way centrists, economists such as Austan Goolsby and Cass Sunstein—both from Chicago (as well as Third Way types such as Lawrence Summers). So one has to wonder whether, in the future, Obama will be different from Carter and Clinton and be willing to spend political capital on labor's core concerns. Maybe, but probably not.

A third explanation for labor's inability to get what it wants from the Democrats is the recurring and dysfunctional splits within the House of Labor, about which Nelson is oddly silent: the AFL vs. the CIO; Communists versus Social Democrats; jurisdictional disputes in organizing; the UAW against Meany; big unions against smaller ones; Change to Win against the AFL-CIO; the Carpenters and Hotel Workers against Change to Win. It's difficult to get passage of a controversial law if you don't have coordination on your side. At the beginning of 2010, Andy Stern and Anna Burger of Change to Win had taken more than 70 trips to the White House but never with Sweeney or Trumka, who rarely were invited to visit anyway. David Bonior did try last year to bring the two sides to discuss reunification in the context of the Employee Free Choice Act (EFCA). But the talks were fruitless.

Nelson ends on a somewhat optimistic note. He's heartened by corporate campaigns, which are inspiring. However, there have been numerous failures with corporate campaigns, even for SEIU. He's encouraged by the power labor wields at the state and local levels, in the Big 10 states such as California and New York. But let's remember that people said the same thing in the 1920s, during a similarly grim historical moment. Then it was states such as Massachusetts, New York, and Wisconsin that filled the vacuum found in Washington with their own social legislation and labor laws. And now we are seeing that labor is, in fact, much weaker in some of these states than any of us could have anticipated.

Yes, there's always the chance that a catalyst will fall from the sky, as in 1933. Today we again are in the midst of a debilitating economic crisis, the worst since the Great Depression. But instead of a populist revival, we've seen a sharp swing to the right. Even a cautious optimist on labor law reform would be hard pressed in the present situation. Still, if there's one thing that's clear from 65 years of labor politics, it's that the labor movement doesn't give up, especially on labor law reform. Trumka has hinted that another push for EFCA may happen next year. Let's hope against hope.